

### Early Years Funding – Extension of the Entitlements

#### Consultation Questions:

##### Section 1: National funding distribution for entitlements for children aged 2-years-old and under

###### **Introduction:**

These questions relate to proposals regarding the national funding formula that will be used to distribute funding to local authorities for 2-year-olds and under from April 2024 in light of the new entitlements. There are also questions in this section relating to proposals to extend eligibility for the disability access fund (DAF) and early years pupil premium (EYPP) to all children accessing the entitlements from April 2024.

**Q1:** Do you agree that we should introduce IDACI as a new proxy, and use it alongside FSM as a basket of measures for deprivation in the additional needs factor in the new national funding formula for 9-month-olds to 2-year-olds?

**A:** We agree. It mirrors school funding. Whilst Wiltshire is not an area of large-scale deprivation, there are pockets of deprivation and the principle of mirroring the National Funding Formula and using IDACI is supported.

**Q2:** Do you agree that we should continue to use EAL and DLA as proxies in the additional needs factor in the new funding formula?

**A:** We agree. In Wiltshire we have localised communities of high numbers of EAL, specifically Nepalese, Somalian, Polish. In addition, we have a high number of military families (42 different nationalities in one barracks alone).

**Q3:** Do you agree with our proposed approach to the area cost adjustment in the new national funding formula?

**A:** We agree on the understanding that energy costs are included in the “remaining 10%”. Also, we’re aware of issues regarding recruitment in the local labour market and the higher staffing costs.

**Q4:** Overall, do you agree with our proposed approach of following the same structure and weightings for the new national funding formula as in the existing 3-and-4-year-old formula?

**A:** We agree a consistent approach is sensible, transparent and defensible.

**Q5:** Do you agree that we should extend DAF eligibility to all children accessing the entitlements from April 2024?

**A:** We agree, but this will be a considerable pressure for the DfE to fund and local authority funding rates will need to reflect this. DAF rates should be consistent for all age ranges.

**Q6:** Do you agree that we should extend EYPP eligibility to all children accessing a free childcare entitlement from April 2024?

**A:** We agree, but this will be a considerable cost pressure for the DfE to fund and local authority funding rates will need to reflect this. EYPP rates should be consistent for all age ranges.

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##### Section 2: Impact of proposals

###### **Introduction:**

Alongside the consultation document, we have published modelling which provides illustrative 2024-25 funding rates and allocations for the entitlements for 2-year-olds and under.

We propose to give each local authority rates in 2024-25 for the 2-year-old and 9-month-old up to 2-year-old entitlements calculated using the formula set out above. These funding rates are for a new working parent entitlement for under 2s, and for a new mixed cohort of the

disadvantaged 2-year-old entitlement and the new working parent entitlement for 2-year-olds, and they will be calculated using a new funding formula. This means that there is no baseline against which they should be compared.

Year-to-year protections for these funding rates may be desirable in future years. We will keep this under review and consider whether any protections are appropriate when we are setting rates for 2025-26.

**Q7:** Do you agree with this approach?

- **A:** Year-to-year protections are imperative with immediate effect to avoid fluctuating rates for providers. Wiltshire's combined rate for 2-year-olds for September 2023 - March 2024 is **£7.61**. However, the indicative rate for Wiltshire for 24/25 has been given as **£7.35**, this means an immediate funding reduction of **£0.26p** per PTE hour (3.4%) and this is unacceptable. We understand 40 local authorities are in this position. We have been encouraged to pass on the supplementary grant in full and wanted to do this to ensure provider sufficiency across this rural county. If we reduce the £7.35 to fund centralised services (which we will need to do), the decrease to providers will be even less than 26p per provider.

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### **Section 3: Local authority funding formulae for childcare entitlements**

#### **Introduction:**

With the expansion of the entitlements, we are proposing to extend the current framework of rules for the distribution of entitlements funding by local authorities to the existing offer for disadvantaged 2-year-olds and to the new offers for working parents of children aged 2-years-old and under. The questions in this section focus on the key features of this framework as well as seek views on the current processes around SEND funding and options for change.

**Q8:** Do you agree a pass-through rate of 95% should be applied to each funding stream in 2024-25: the 3-and-4-year-old universal and 30 hours offer; the two-year-old disadvantaged and working parent offers; and the 9 months to two-year-old offer?

**A:** We think a pass-through rate of 95% is essential but believe local authorities should have discretion to apply different rates to each age group funding allocation. This will allow local flexibility.

**Q9:** Do you agree that the same list of allowable supplements should be applied to every entitlement funding stream, capped at a maximum 12 percent of planned funding for that entitlement?

**A:** We agree, so long as Local Authorities have the choice to use the supplements or not.

**Q10:** Do you agree that the deprivation supplement should be mandatory for every entitlement funding stream?

**A:** Yes, we agree. This is aligned to our disadvantaged learner data.

**Q11:** Do you agree with our proposal that local authorities should establish a special educational needs inclusion fund for children aged 9 months to 2-years-old who are taking up the entitlements?

**A:** Wiltshire already issues Inclusion Support Funding for 2-year-olds for a maximum of 15hrs/wk. Unless we were funded appropriately to issue ISF for up to 30hrs/wk, we would struggle to finance this with increased numbers of 2-year-olds. In addition, if the expectation is to fund ISF for under 2's, we'd have to finance from the centrally retained budget which is why we cannot support increasing pass-through rate to 97% until we have actual pupil data.

**Q12:** What more can be done to support local authorities and providers to reduce bureaucracy and streamline SENIF processes whilst also ensuring the system remains fair and financially sustainable?

**A:** In Wiltshire, our process to issue the ISF have been reviewed, we regularly hold panel decision-making meetings and providers are happy with these changes. Providers have responded well to good quality support around provision planning, funding is allocated at the start of each term so that providers can spend effectively. We already use our Case

Management System to log all applications. Currently we are overspending in this area due to high demand.

**Q13:** Would local authorities and providers find it helpful for the Department to be more prescriptive about the operation of local SENIFs?

**A:** We would like the flexibility to best determine how to issue support to providers.

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## **Section 4: Equalities Impact Assessment**

### **Introduction:**

The Public Sector Equality Duty requires public authorities to have due regard to the need to:

- eliminate discrimination, harassment and victimisation;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Public authorities include the Department for Education, local authorities, governing bodies.

The protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual Orientation

**Q14:** Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

**A:** In Wiltshire we are beginning to see an increasing number of parents who are wishing for their children to be identified as neither male nor female, asking their childcare provider to use the pronouns of them/they. This has implications for many aspects of running provision. We see there is a gap in advice, support, and training for providers around this issue.

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## **Any Other Comments**

**Q15:** Are there any other comments that you would like to make about our proposals set out in this consultation?

**A:** Although the additional funding is welcomed, the scope of the ask is huge and rushed.

- The sooner we can be told about the “Delivery Funding” the better – allocations in October 2023 to prepare buildings and have fully trained and recruit staff in place for April 2024 will be challenging. It is imperative that the appropriate training and support can be given to the sector to develop high quality additional places. We have no capacity within the Local Authority service teams to currently do this.
- In addition, Capital funding is required to develop physical space. Planning permission for new temporary structures (mobiles) can take 10 weeks alone and works need to take place on school premises during the holidays.
- The combined rate for 23/24 is currently higher than the indicative rate for 24/25 –

- Considering the national minimum wage (National Living Wage proposed at £11.16 from April 2024 – an uplift of 11%) and inflationary raises are expected in April 24, the indicative rate being lower than the combined 2023/24 rate is very concerning.
- We are also concerned that expectations have been unrealistically raised that ALL parents will benefit from entitlement **from the month after** their child turns 9-months old.
- Despite that this consultation has been run during the school holidays, we have liaised and obtained the views from our provider representatives.